encourages indigenous urea manufacturers to implement energy reduction measures such as purge gas recovery unit, synthesis converter retrofit, on line optimizer and selectoxo process for ammonia plants. The investment made on such energy saving schemes is recognized immediately for fixation of retention price but the benefits accruing on this account are allowed to be retained by the units for three years, after which they are mopped up for pricing purposes.

Increase in prices of imported urea

3414. SHRI BRATIN SENGUPTA:
SHRI GOPALSINH G. SOLANKI:
SHRI DILIP SINGH JUDEV:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that following the news of the likely import of urea by India, the prices of the imported urea have gone up by more than thirty per cent in the last one month;

(b) if so, the reasons therefor; and

(c) how the prices of imported urea compare with the average cost of the urea produced locally from gas-based and naphtha-based plants of the country?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) and (b) The purchases of urea by India do impact on prices in the international market. But in the current year 2000-2001, no imports of urea have so far been made on Government account. The prices of urea in the international market have firmed up. From nearly US $ 107—110 per metric tonne (FOB) on 22.6.2000, the price has gone up to nearly US $ 135—138 per metric tonne (FOB) ex-Yuzhny and nearly US $ 137—140 per metric tonne (FOB) ex-Arabian Gulf on 10.8.2000. According to Fertilizer Monthly Bulletin (FMB) and the Fertecon Weekly, factors responsible for increase in prices appear to be production problems in Indonesia, Latin America, United States of America and CIS countries due to problems in availability of gas and increase in its prices as well as strong demand for urea in Vietnam and Latin America.

(c) The average FOB price of urea in international market is currently in the region of US $ 137.50—US $ 138 per metric tonne. The freight rate is

currently ranging from US $ 26.50 (ex- CIS)—US $ 15 (ex-Middle East) per metric tonne. Thus the landed cost of imported urea comes to between US $ 152.50 (ex-Middle East)—US $ 164.50 (ex-CIS) per metric tonne. At the current exchange rate of nearly Rs. 45.60 per US $, the C and F cost of imported area in the region of Rs. 6,954—Rs. 7,501 per metric tonne. Against this, the weighted average retention price of gas based urea units is Rs. 6,270 per metric tonne and that of naphtha based units is Rs. 11,837 per metric tonne.

Rate of secondary freight of urea

†3415. SHRI JHUMUK LAL BHENDIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are considering to review the rate of secondary freight of urea; and

(b) if so, by when, a decision in this regard will be taken?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) and (b) The revision of secondary freight is linked to the comprehensive 7th Pricing Policy review for urea, for which proposal is made. The implementation of the new rates will be based on the approval given by the Government.

Urea Manufacturing by Private/Public Units

3416. SHRI ANANTRAY DEVSHANKER DAVE:
SHRI LAJPAT RAI:
SHRI BRATIN SENGUPTA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the average energy consumed, in million kilo calories, per tonne of urea manufactured by units of both the private and public sector units and that went on stream since 1985;

(b) the average energy consumed, in million kilo calories, per tonne of urea manufactured by the units that went on stream before 1985; and

(c) the details of steps being taken by Government to encourage the pre-

†Original notice of the question was received in Hindi.